

# The American Observer

*A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.* —James Monroe

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## Role of Germany In World Today

This Land Holds Key to War or Peace Between Russia and Western Countries

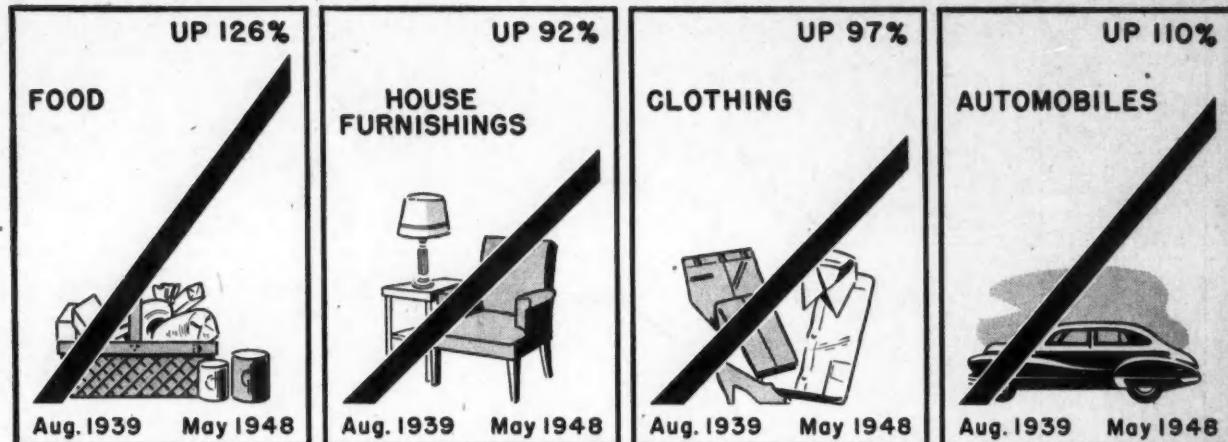
MANY years from now students will read in their histories about the anxious and eventful summer and fall of 1948. But what will the books say? Will they speak of the period through which we are now passing as the days which preceded a great and terrible war, or as a time when the nations overcame some of their difficulties and moved toward peace and understanding?

No one knows the answer to that question. As this paper is written we do not know what may happen before it reaches its readers, for events move swiftly these days, and the future, even the immediate future, is uncertain.

The best we can do is to study and try to understand what has happened during recent weeks and what is happening today. If, then, war should come, we shall know why it came and what America's purposes are. If, as we ardently hope, peace is maintained, we shall know better how to help preserve it.

The chief danger spot this summer has been Berlin. That shattered capital is near the center of the zone of Germany which Russia occupies and controls. The city itself is occupied, however, not by Russia alone, but by the four big powers—Russia, the United States, Great Britain and France. Each of these nations has charge of a section of Berlin. But

(Continued on page 2)



HOW COST OF LIVING in the United States has risen since 1939

## Political Dispute on Prices

Inflation Becomes a Major Campaign Issue; Democrats and Republicans Blame Each Other for Failure to Check Rapid Rise in Cost of Living

A LEADING issue in the presidential election campaign is the high cost of living. Each party blames the other for not dealing properly with the price problem.

In the midst of the political controversy, economists continue to warn against the dangerous possibilities of inflation. Many of them believe that the upward movement of prices, unless checked, will eventually plunge the nation into another serious depression.

Meanwhile, the American people, still hungry for food and manufactured articles which they were denied during the war, are keeping up their buying spree. Wartime savings, plus unprecedentedly high wages and incomes, have enabled families to purchase farm and factory products on

a larger scale than ever before in our history.

Despite the fact that American industry and agriculture are breaking all peacetime records for production, they cannot yet satisfy the demands of people in this country, build up a stronger defense machine and, at the same time, furnish the food and goods which we have promised to provide for Europe under the Marshall Plan.

Since buyers are still competing furiously for scarce products, and are willing to pay high prices for them, the inflationary movement goes forward. Here is a comparison of the average prices of a number of products in 1939 with the average prices of the same products late last month:

Round steak, 36¢ to \$1.09 a pound;

chuck roast, 24¢ to 70¢ a pound; a No. 2 can of corn, 10¢ to 20¢; a No. 2½ can of peaches, 17¢ to 31¢; butter, 30¢ to 93¢ a pound; coffee, 22¢ to 55¢ a pound; eggs, 28¢ to 73¢ a dozen; a quart of milk delivered, 12¢ to 22¢.

It is not only food, of course, that has risen greatly in price. A shirt today is likely to be priced at more than twice as much as a similar one in 1939. The average automobile has more than doubled in cost, but part of this increase, in certain cases, is due to technical improvements such as automatic gearshifts. A home now costs from two to three times as much as a similar one cost in 1939.

It would be possible to point out hundreds of articles which have doubled in cost during the last 10 years. Prices as a whole have increased 71 per cent since 1939, and food prices have jumped more than 126 per cent.

From these figures, it would seem that farmers have benefited more from inflation than other groups of the population. This may or may not be true, but it is generally agreed that they were worse off during the 1930's than were most city workers and producers.

Farmers argue that, even today, they are not getting more than their fair share of the national income. Last year, they point out, they comprised 18 per cent of the country's population, yet they received only a little more than 10 per cent of the total national income. With food prices continuing to rise this year, however, it is claimed that farmers have bettered their 1947 position.

Regardless of who has or has not profited most by soaring prices, it is an undeniable fact that millions of people have suffered from the constantly advancing cost of living. The wages and incomes of a great many Americans have simply not kept pace with the upward movement of prices.

How, then, have these people been

## Today—a Time of Opportunity

By Walter E. Myer



Walter E. Myer

VACATION days are over and you are back at your desk again. You are at the threshold of a new school year. You look forward

to the months ahead with interest and hope. You know that whatever your record last year may have been, you now have a fresh start. You and your classmates are toeing the same mark. You have a chance now to forget the past and write a new chapter. Within limits your future is what you choose to make it.

You have been told all this before—so many times that you may be bored by it. Why, you may ask, does our editor begin a new year with a set of time-worn platitudes about "a fresh start," "a clean slate," "a new race"?

I am doing it because I know by experience and observation what an opportunity is afforded by the turning of a

new leaf, and I know how often the advantage is soon lost. A student, for example, enters a history class. He has the same chance that the others have to master the subject. He does very well for a while. Then he neglects the work for a day or two.

When he tries to settle down again he finds the going hard, for he is unfamiliar with facts set forth in earlier chapters—the ones he missed. Each day's lesson is more difficult. He is soon slipping, failing to keep up with the leaders. He is forced to accept the position of a second-rater.

Perhaps you were in that position last year. Before long the work seemed almost impossibly difficult. You could not easily face about and move toward the top after a few weeks of slipping.

Now a new chance comes. You are on an equal footing with your fellow students. It will be easy now for you to keep up with a majority of them. After a while, if you let down a bit, it

will be much harder, if not impossible.

Whether you lead or lag depends upon your own efforts, your own power of will. No one is going to get an education for you. The school is not a mill which grinds out well-educated young men and women, competent and successful, regardless of their own conduct. The school is a place of opportunity, and the time to seize and use the opportunity is now. If you are inclined to fritter your time away, remember the Shakespearean warning:

"There is a tide in the affairs of men  
Which, taken at the flood, leads on to  
fortune;  
Omitted, all the voyage of their life  
Is bound in shallows and in miseries."

A student who finds that he is slipping may, of course, face about and get on the upward path at any time of year. But habits once formed are hard to break. The safest course is to form the habit of excellence before a downhill step is taken.

(Concluded on page 6)



WESTERN GERMANY includes seven-tenths of the occupied nation's area, its mines produce four-fifths of the entire country's coal output, and its steel mills make almost nine-tenths of the country's steel. Eastern Germany, however, grows more food than does the western section. Getting enough food is the chief problem of Germans in the west.

## Germany's Role

(Continued from page 1)

to get to the sections which they control, the Americans, British and French must pass through Russian-occupied territory.

This is an awkward arrangement at best—one that almost invites friction. Serious trouble first broke out last June when the Soviet Union closed the road which the British and Americans had been using to send food and other supplies to the parts of Berlin which they controlled.

The western Allies, shut off from surface contact with their sections of the city, undertook to send supplies by air. They brought into use a great fleet of planes.

The western powers at no time considered the air supply route to Berlin as a permanent solution of the problem. They knew that while they might carry enough food to prevent starvation in their sections of the city, they could not supply enough coal to keep the people warm and to provide fuel for industry when winter came.

That is why they launched extensive negotiations with the Russians last month in an effort to reach a settlement. Whether a lasting solution of the Berlin issue, as well as the German problem as a whole, can finally be worked out is the big question of the hour.

Whatever happens, it is important that we study the background of the latest disputes over Germany in order

to understand the differences of opinion which exist between Russia and the western powers. As we know, Germany was divided into four zones when the war ended three years ago. Each zone was to be governed by one of the four major victorious powers. It was not intended that this arrangement should be permanent. The plan was that, as soon as possible, the Germans should be united in a single nation again.

Russia and the western allies have not been able to agree upon the setting up of a German nation. Everything the Soviet Union has done indicates that she hopes to spread communism and Russian influence, not only in her zone, but throughout Germany.

The Russians think they will have little trouble in lining up eastern Germany on their side, so they are making plans for extending communism to the western zones, now controlled by the western powers. They think that this program can best be carried out if Germany is given a strong central government, with headquarters in Berlin. Since Berlin is near Russia, the Soviet leaders think they could control a government located there, and this government, in turn, could keep both western and eastern Germans in line.

The United States, Great Britain and France are determined that western Germany shall not fall into the hands of Russia. Hence they have opposed the establishment of a German government that might turn the

entire country over to the Soviet Union.

These western powers, especially the United States, have favored the setting up of a federal government in Germany. They would have the country divided into a number of states, with each one relatively independent of the national government. American officials believe that if this were done the states in western Germany could hold out against influence from Russia.

Since the close of the war this question of a German government has been debated in international conferences, with Russia taking one side and the United States and her allies the other.

After this had been going on for three years, the United States, Great Britain and France made an important decision last June. They decided not to engage in further fruitless arguments with Russia, but to go ahead and set up a government of their liking for their zones of Germany.

Britain, France, and the United States also decided to change the money system in their zones of Berlin, so that the currency of the Berliners under their control would be different from the money used by the people under Soviet control.

The Russians were angered over both these steps. They have been strongly opposed all along to the plan of having a separate government set up for the people of western Germany—a government which they fear will

be permanently under the control of the United States, France, and Britain.

In addition, the Soviet leaders have wanted all the people in Berlin to use the same kind of money that is used in their zone, so that the inhabitants of the whole city could do business with one another. The western powers argued, on the other hand, that if Russia desired all the Berliners to have the same money system, why didn't she make the currency in her zone the same as that in the western-controlled areas of the city.

This dispute, of course, involves the issue of economic control over Berlin. The occupying nation, or nations, which can control the money system of Berlin, can do much toward controlling the business life of the city.

So, in order to combat both these moves, the Russians closed the roads from western Germany to Berlin. They undoubtedly planned to squeeze us, together with France and Britain, out of Berlin unless we changed our minds on the money question and on the plan for a separate government for western Germany.

The main issue involved in this whole controversy is the struggle for power over western Germany. The side which can control this area in the years ahead will be greatly strengthened. In normal times, the zones now controlled by the United States, Britain and France contain about seven-tenths of Germany's area. Their mines produce four-fifths of that country's coal. Their steel mills furnish almost nine-tenths of the German steel, and their farms produce nearly half the nation's food.

If Russia should gain control of this region's rich resources and should add them to her own, she would become so powerful that it would be very difficult for any combination of nations to oppose her.

If, on the other hand, the Germans living in the western zones should line up permanently with the United States, Great Britain and France, communism in this region will be checked. All western Europe will be strengthened.

The Russians fear that if we now set up a separate government for western Germany, they will be permanently left out of the picture. They also think that the eastern Germans will become increasingly dissatisfied under Russian control if they know that the western Germans are being allowed a large measure of freedom in governing themselves.

Some Americans think that, in order to wipe out the risk of war with Russia and in the hope that an agreement for a united Germany may eventually be reached, the western nations should delay for at least another year or two the setting up of a separate government. It is said that the present arrangement, under which Germans are cooperating with our officials in governing their affairs, keeps us in as strong a position to rebuild western Germany and to hold her on our side as the new government plan would. If Russia does not come to terms with us (meaning Britain, France, and the United States) in a reasonable time, continues the argument, we could then go ahead with our policy for a separate government regardless of any threats which Russia might or might not make.

Many other Americans sharply oppose this point of view. They argue: (Concluded on page 5, column 4)

# Major News Events of the Summer

## June

2nd Charles Brannan, 44-year-old lawyer from Denver, Colorado, sworn in as Secretary of Agriculture. He has been Assistant Secretary since 1944.

3rd U. S. House of Representatives approves budget of 10 billion dollars for armed forces. Five and a half billion granted to Army, 900 million to Air Force, 3½ billion to Navy. Air Force and Naval Aviation have already received 3 billion.

3rd World's largest telescope, 200-inch mirror, dedicated at Mount Palomar Observatory in California. Expected to reveal new wonders of the heavens.

5th The new Asiatic nation, known as Viet-Nam, comes into official existence. Its territory was formerly French Indo-China, but the natives finally won their independence. Viet-Nam still maintains a loose relationship with France, however.

9th United States and Great Britain announce their agreement on plan formerly drawn up in London to form a new western German government with large measure of independence. This development angers Russia (see article on page 1).

11th Fighting in Palestine between Jews and Arabs halted in accordance with four-week truce arranged by Count Folke Bernadotte, UN mediator. (Fighting has continued off and on all during the summer, however, and no settlement has yet been agreed upon by the conflicting forces; see note on page 4.)

18th Greek Army begins large-scale offensive against rebel forces in the Grammos Mountains. These forces are headed by General Markos and are estimated to be 10,000 strong.

20th Congress adjourns in the early morning hours, after approving the European Recovery Program, passing a draft bill for young men from 19 to 25 years of age, enabling some 200,000 Displaced Persons (DP's) to come to this country, granting record-breaking sums for national defense in peacetime, and acting on a number of other important problems.

24th Russia blocks all land communications between western Germany and Berlin, and also cuts off electric power it has been providing three western-controlled sections of Berlin (see article on page 1).



POLITICS. Party conventions named Harry Truman and Thomas Dewey as presidential candidates

sive Party. Its main goal is a "friendlier" U. S. policy toward Russia.

26th Congress convenes in the special session called by President Truman to consider his proposals for dealing with inflation, housing, and other national problems.

29th The Olympic Games start in London after the athletes of more than 60 nations take part in the opening ceremony.

30th Representatives of the United States, Britain, and France hold the first of a series of meetings with Soviet Foreign Minister Molotov at Moscow in the effort to reach an agreement on the Berlin dispute.

30th A conference to determine the rules governing the future use of the Danube River opens in Belgrade, Yugoslavia. The meeting was proposed by the United States and agreed to by Russia. Since the majority of nations at the conference are Danubian lands and are under Soviet control, Russia is expected to have her way on all important issues.

30th Elizabeth Bentley, a confessed wartime Soviet spy, tells the House Committee on Un-American Activities that former American government officials have provided valuable information to the Soviet leaders. Her dramatic charges startle the nation, and bring violent denials from most of those whom she accuses.

31st The Japanese government, in keeping with a request by General MacArthur, denies collective bargaining privileges and the right to strike to all public employees. Union leaders and others are raising a storm of protest.

## August

2nd Envoy of Britain, France, and the United States get together with Premier Stalin to discuss the Berlin crisis, and they emerge from the conference smiling. No information about the meeting, however, is forthcoming.

2nd The U. S. Communist Party opens its national convention in New York City. It announces its intention of supporting Henry Wallace for the presidency.

7th The special session of Congress adjourns. The story of what it did and did not accomplish appears on page 4.

8th The Census Bureau reports that the population of the United States was 143,414,000 in 1947.

11th Maurice Tobin, former governor of Massachusetts, accepts the post of Secretary of Labor, which has been vacant since the death of Lewis Schwellenbach.

13th The Argentine National Chamber of Deputies enlarges the powers of President Peron by passing a law which gives him unlimited authority whenever he believes a national emergency exists.

15th India and Pakistan celebrate their first birthdays today.

16th Babe Ruth, home-run king of all time and the nation's outstanding sports idol, dies.

18th The Danube Conference ends with seven Communist nations of eastern Europe voting themselves control of the river. American, British, and French delegates protest Russia's domination of the meetings, and refuse to sign the treaty.

26th The nation is observing the 28th anniversary of the adoption of the 19th Amendment to the Constitution. It guarantees the right of women to vote in all state and federal elections.

30th The nation's young men start registration for the peacetime draft. The first to sign up are those in the 25-year age group.



DRAFT. Registration of men from 18 through 25 years of age began as the nation planned to build up its defense forces.

24th Governor Thomas E. Dewey of New York nominated as Republican presidential candidate at party convention in Philadelphia.

25th Governor Earl Warren of California chosen to be Dewey's running mate in the presidential contest.

28th The Cominform, an organization of Communist Parties in Europe, denounces Marshal Tito and the Yugoslav Communist Party for not following policies of Soviet leaders closely enough. This development offers most encouragement yet to western nations that Russia is having difficulty in holding her satellite countries in line.

30th Last British troops leave Palestine.

## July

1st New York's International, or "Idlewild," Airport officially opened on Long Island. It is world's largest airfield.

2nd The Communists drop from first to third place in Finland's parliament as a result of elections.

20th President Truman issues a proclamation ordering all men from 18 through 25 to register from August 30 to September 18 for military service under the new draft law.

24th Henry Wallace, former cabinet member and Vice President of the United States, is nominated for the presidency by the new Progress-



SPY CHARGES. Elizabeth Bentley accused former government officials of aiding a Soviet spy ring

# The Story of the Week

## Call to the Colors

Throughout the nation all young men 18 through 25 years of age are signing up for the peacetime draft. Registration began on August 30 and will continue through the 18th of September. Up to 10 million men are expected to register. It is thought that about 100,000 more will become eligible each month thereafter as they reach their 18th birthdays.

Those within the group who have passed their 19th birthdays will be subject to call for 21 months' service in the armed forces. Youths in the 18-year bracket may volunteer for one year and thus escape a later draft. Many 18-year-olds have already taken advantage of this provision of the law. Authorities say that draftees will—in the beginning, at least—be able to indicate the branch of service to which they want to be assigned.

Induction will begin with the 25-year group. Other groups will be called in descending order by age. The number of men called into service will depend on the success of the current campaign for volunteers. Although the first draftees may enter the armed services within a month or two, it is believed that conscription may not get under way on a very large scale until next year. It may take several months to secure enough doctors, drill instructors, housing, and supplies for the expanding services.

## Changes in Canada

Canada is going to have a new Prime Minister and a new province. The Prime Minister is expected to be Louis St. Laurent, a lawyer, who was recently elected leader of Canada's

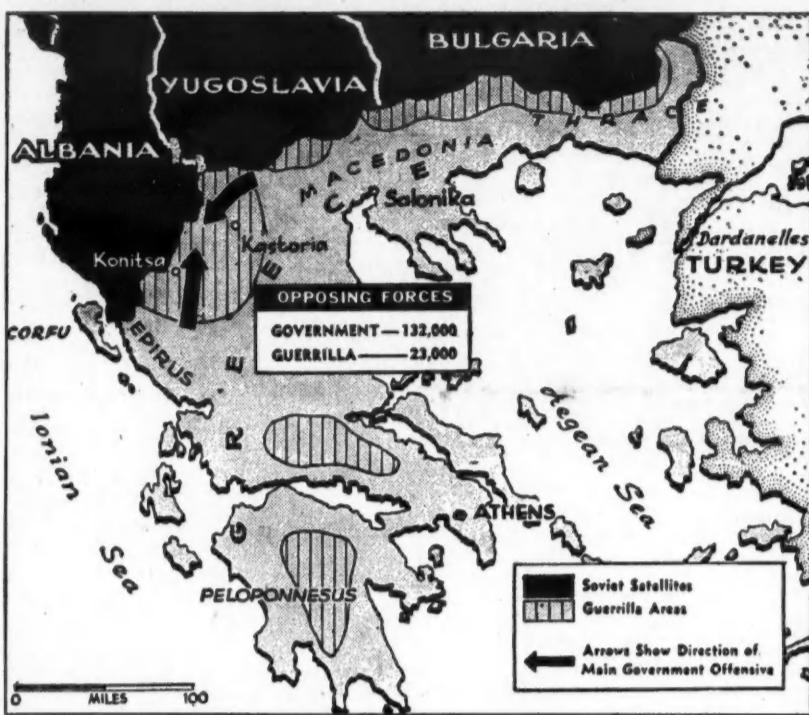


LOUIS ST. LAURENT, who is soon expected to succeed Mackenzie King as Canada's Prime Minister.

Liberal Party. The new province will be the island of Newfoundland, whose people voted a few weeks ago to join the Canadian confederation.

Mr. St. Laurent is scheduled to become the Prime Minister when Mackenzie King retires from that post within a few months. King, who headed the government of Canada for more than 20 years, has already stepped down from his position as head of the Liberal Party in favor of St. Laurent. When King leaves public life, Parliament will undoubtedly approve the appointment of St. Laurent as top man in the Canadian government.

The decision of the Newfoundlanders to join Canada is the result of



REBEL STRONGHOLDS in northern Greece were under heavy fire last month as the nation's Army pushed its campaign with increasing vigor

financial troubles which have beset the island government in recent years. For a long time Newfoundland was a full-fledged dominion in the British Commonwealth, but in the world depression of the thirties, trade fell off and the government went bankrupt.

To obtain assistance from Great Britain, Newfoundland agreed to be ruled by a commission appointed in London. When this type of government proved unpopular, Newfoundlanders decided in a series of elections to throw in their lot with Canada. The union will make Newfoundland the 10th Canadian province.

## The Political Contest

The two major parties are waging their presidential campaigns with increasing intensity. With election day on November 2, less than two months away, the candidates and their supporters are pitching in for the final stage of the battle.

During the coming weeks, Truman and Dewey will give a number of speeches outlining their views on such important issues as the cost of living, labor, housing, civil rights, taxes, foreign trade, and American relations with Russia. As these questions are discussed and debated by the presidential candidates, we shall have major articles on them—articles which will contain the political pros and cons.

## The Bentley Charges

The spy hearings before the House Un-American Activities Committee have attracted nation-wide attention this summer. The principal witness has been Miss Elizabeth Bentley, a former American Communist, who admits having passed on secret U. S. information to Soviet agents for a number of years.

Several former U. S. government officials accused by Miss Bentley of giving such information to her have also appeared before the Committee. Some have denied her charges; others have refused to answer the Committee's questions. Both charges and denials have, in many cases, proved impossible to verify without further investigation.

The Committee's conduct of the hearings has produced as much controversy as the conflicting testimony. All loyal Americans agree that anyone who does not give complete allegiance to the United States should be barred from holding a position in our government. Insofar as the hearings have conclusively revealed the activities of those who are unpatriotic to our country, it is agreed that the investigation has served an excellent purpose.

However, many loyal Americans criticize the way in which these hearings have been conducted. They agree that certain information has been brought out which our government and citizens need to know. At the same time, they contend that a number of unproven accusations have been made. In some cases, they say, the reputations of innocent persons have no doubt been damaged beyond repair. These critics urge certain reforms in investigative procedure—reforms that will safeguard the innocent while effectively putting the spotlight on the guilty.

## U. S. Is Growing

The population of the United States—according to recent Census Bureau estimates—last year reached 143 million. This represents a gain of about nine per cent over the count made in 1940 when the last national census was taken. During the seven-year period since that date, the excess of births over deaths has amounted to about 12 million persons. Immigration from abroad has added another 1 million.

Census Bureau figures also confirm the fact that widespread migration to the Pacific Coast has taken place in recent years. California has made a 42 per cent gain in population since 1940 while the neighboring states of Oregon and Washington have also made substantial increases. During that period population gains have

taken place in 39 out of the 48 states.

Although our population is at its highest point in history, it does not approach that of certain other countries. For example, China's population is estimated at 450 million, while about 300 million persons are thought to live in the Dominion of India. Russia's population is believed to be about 195 million.

## World Trouble-Spot

Palestine has continued to be a world trouble-spot throughout the summer. Count Bernadotte, UN mediator, was able to halt the warfare between Jewish and Arab forces for a while in July, but fighting still flares up from time to time.

Since the UN, earlier this year, divided Palestine into two countries—one for the Jews and the other for the Arabs—the conflicting groups have been unwilling to come to any kind of terms. The Jews insist that successful peace negotiations can be carried out only if the Arabs first recognize the new State of Israel. The Arabs, at the time of this writing, still refuse to admit that such a state exists.

## College Scholarships

This month Pepsi-Cola's annual scholarship program will get under way for the fifth consecutive year. Boys and girls from every high school in the United States, Alaska, Hawaii, and Puerto Rico will be given the opportunity to try out for the valuable awards. To seniors who show promise of leadership in their chosen fields, 119 four-year college scholarships and 600 college entrance prizes will be given.

Winners of the four-year scholarships will receive full college tuition, \$25 a month, and traveling expenses for four years. Runners-up will be awarded college entrance prizes worth \$50 when the winners enter college in the fall of 1949.

More than 500 past winners of four-year scholarships, financed by the Pepsi-Cola Company, are already on 175 campuses of the nation's colleges. Any high school senior who wants to



ISRAELI WOMEN are helping in all phases of their new country's war against the Arabs. Here, one prepares for a scouting flight over enemy territory.



WIDE WORLD  
TOKYO'S HOUSEWIVES are benefiting from the Japanese recovery program, being pushed by General Douglas MacArthur

try out for one of these awards should see his or her principal who has already been sent complete information about the program. Special scholastic tests are given to students who participate in this project.

### Fight Against Polio

Infantile paralysis, which appears most often during the late summer months, is particularly widespread this year. North Carolina—hardest hit by the epidemic—has reported more than 1,500 cases. Several thousand other persons have been stricken throughout the country. People in epidemic areas are being advised to stay away from beaches, pools, or crowds of any kind. Doctors think the best tactic against the disease is to avoid places where the virus might be picked up.

Despite this year's outbreak, medical authorities agree that a considerable advance has been made in recent years in combating infantile paralysis. The annual March of Dimes has centered attention on polio, and has raised millions of dollars to fight it. Recently an international congress was set up to act as a clearing house for knowledge about the disease. Before too long, medical men hope to track down the cause of this type of sickness and find a sure means of preventing it.

### Party Symbols

During the coming weeks, the Democratic donkey and the Republican elephant will be seen in countless cartoons. These symbols—now familiar to all Americans—were originated by Thomas Nast, the great political cartoonist of the period following the Civil War.

The idea of using animals to represent political parties is said to have come to Nast while reading a newspaper account of the escape of animals from a New York zoo. He first used the donkey to represent the Democrats in 1870. Four years later the Republican elephant appeared in one of Nast's cartoons. Both symbols caught on with the public and were soon adopted by other cartoonists.

An expression which will also appear frequently during the presidential campaign is "GOP." These letters are an abbreviation of the phrase, "Grand Old Party." This title came

into favor with Republicans during the 1880's who used it to refer to their party. It was probably suggested by the phrase, "Grand Old Man," which was used widely at that time in connection with the famous British statesman, William Gladstone.

Much to the regret of newspapermen, the Democrats have no nickname comparing to "GOP." The abbreviation is especially popular with the writers of newspaper headlines since it is short and can fit into a small space.

### News from the Orient

While we have not heard a great deal about what has been going on in the Far East during the summer months, important developments have been taking place. Japan, under General MacArthur's leadership, has made considerable progress in repairing war damage and rebuilding her industrial life. The labor unions in that land, however, are fighting mad over a recent government ruling inspired by MacArthur to the effect that no public employee can belong to a union or engage in a strike.

In China, the civil war continues, although neither side has chalked up any striking gains of late. Little economic progress is being made while the fighting goes on.

The Filipinos, on the other hand, are moving forward in rebuilding their industries.

### Young Olympic Stars

A trio of 17-year-old American athletes are now exhibiting to their school and college classmates the medals which they won last month at the Olympic Games in London. They are big Bob Mathias, sensational track and field performer from Tulare, California; slim Jimmy McLane, distance swimming star from Akron, Ohio; and Zoe Ann Olsen, springboard diver from Oakland, California.

Mathias' feat in winning the grueling decathlon was considered by many as the outstanding performance in the international contests. The decathlon—consisting of 10 track and field events—is a supreme test of all-around athletic ability and stamina. Bob was the youngest athlete in history to win the event. He was graduated from high school only last year.

McLane, who had previously won many swimming honors while competing for Andover Academy, finished first in the 1500-meter free-style event and was a member of the victorious 800-meter relay team. He also received a second-place award in the 400-meter free-style race. Zoe Ann Olsen was barely nosed out in the women's springboard diving but received a silver medal for second place.

The success of these 17-year-olds will encourage other young athletes to prepare themselves for the next Olympics, scheduled for Helsinki, Finland, in 1952. At that time the United States will attempt to repeat the showing it made this year at London. Although the Olympic Games are based on individual championships, unofficial team point totals gave the U. S. team 662 points. Sweden finished in second place with 353 points, while France came next to win the unofficial third place with 230½ points.

## S M I L E S

After watching the squabbles that often develop over wills, one can sympathize with the old man whose will contained this one sentence: "Being of sound mind, I spent every cent I had."

★ ★ ★

When the man took his hunting dog out last fall to show him off to several strangers, to his amazement the dog pointed at one of them.

"He's smarter than you think," said the man, "my name is Partridge."

★ ★ ★

The bored looking young man at the dinner party spoke to his partner at the dinner table. "Who is that strange-looking man over there, who stares at me so much?"

"Oh, that's Professor Jenkins," she replied brightly. "You know, the famous expert on insanity."

★ ★ ★

Policeman: "Did you know what kind of a car it was that knocked you down?"

Woman: "No, but the woman in it wore a black hat trimmed with red, and her coat was imitation fur."

★ ★ ★

Boss: "What do you want?"

Employee: "May I use your phone? My wife told me to ask for a raise but she didn't tell me how much."

★ ★ ★

Boss: "Yes I advertised for a good strong boy. Think you can fill the bill?"

Applicant: "Well, I just finished whipping three other applicants outside the door."

★ ★ ★

Mother (to small boy on his way to a party): "Now, dear, what are you going to do when you've had enough to eat?"

Small Boy: "Come home."



ERICSON IN THIS WEEK  
"You ought to try it—it's much more efficient than scratching at the door"

## Germany's Role

(Concluded from page 2)

"The western nations have given Russia plenty of time to show some willingness to compromise on the German question, but the Soviet leaders have not yielded an inch. Since there is no reason to believe that they have any intention of doing so in the future, we should not delay any longer our policy of putting western Germany on a self-governing basis. Russia does not want us to do this because she knows we would gain by it and she would lose. What better argument could there be for going ahead with our plan?"

Another subject about which there is a difference of opinion in this country is American policy toward the Berlin occupation. A minority of citizens think we should make a concession looking toward peace by get-

### Readers Say—

Our readers are invited to send letters to THE AMERICAN OBSERVER for publication in this column. Your communications may deal with topics of general current interest, or they may describe activities your school has undertaken.

We ask that your letters be brief. The space allotted to this column is limited, and we want to publish as many letters, presenting as many different ideas, as we can. Address letters to: Readers Say—, THE AMERICAN OBSERVER, 1733 K Street, N. W., Washington 6, D. C.

ting out of Berlin, leaving it to the Russians. This is their argument:

"Berlin is in the center of the zone which Russia holds. So long as we occupy a section of the city, surrounded by Russian armed forces, there will be constant danger of war. We gain little by staying there. Our occupation of part of Berlin is not worth a war. We and our allies should hold our zones in western Germany, and leave the eastern zone wholly to Russia until some plan is devised for uniting the German nation."

Those who hold that we should maintain our position in Berlin regardless of Russian pressure are in a majority, and they argue in this way:

"If we allow Russia to force us out of Berlin, our allies and supporters everywhere will lose confidence in us. They will think that, since we are not strong enough or courageous enough to hold the line in Berlin, we will be too weak or too unreliable to help western Europe effectively. Under such circumstances our disillusioned allies might decide to make their own terms with the Russians and leave us standing alone. A development of this kind would ruin the Marshall Plan effort, which is the keystone of American foreign policy. We must, therefore, refuse to be squeezed out of Berlin."

Such are the big and thorny issues involved in the German problem. The question of the hour is, "Can the western nations and Russia reach an understanding which will prevent another world war?"

# Prices and Politics

(Concluded from page 1)

able to make ends meet? How are they paying their bills?

For one thing, they have dipped heavily into savings which they accumulated during the war when there were many products that they could not buy. For example, it is reported that individuals had 4 billion dollars less in the nation's banks on April 1 of this year than they had three months earlier.

Another way in which people have bought more than they could afford has been by using the installment plan. When they have not had money to buy what they wanted, they purchased on credit. Store owners have encouraged this practice. The newspapers have been full of advertisements telling how to buy washing machines, radios, and other products by making small down payments and paying off the remainder in weekly or monthly installments.

A member of the Federal Reserve Board, which supervises the nation's banking policies, recently made this statement: "During the three years that have elapsed since V-J Day, the American public has gone into debt more rapidly than in any other period in our history."

What happens when people keep on buying more than they can afford—when prices of things they need and want remain beyond the reach of their pocketbooks? We know what happened in the late 1920's. Families bought heavily on the installment plan. They finally reached the point where they were so much in debt that they had to cut down on their purchases. Partly as a result of this situation, many businessmen lost confidence, the stock market crashed, factories had to reduce their output drastically, farmers could not sell nearly all they were producing, and a long, hard depression set in.

## Other Causes

It is true that installment buying was by no means the sole cause of the depression. Many other elements entered into the picture, but the fact that people did not have enough purchasing power to buy all that the farms and factories were producing did, without question, play a vital part in bringing on the hard times of the 1930's.

Today, even though American farms and factories are breaking all records for peacetime production, certain industries are already beginning to feel the pinch of decreasing sales because many family incomes are not keeping pace with high prices. The book and stationery business has declined 33 per cent in the last year. Movies have seen a drop in their box office receipts of about 10 per cent, and other entertainment fields are not doing so well. Fur and jewelry sales have dropped off. These are the so-called "luxury" industries, and they are always the first to suffer when business is on the decline.

Admitting that the present price situation might lead to serious consequences, what can and should we do about it? This question has caused a bitter political conflict ever since the end of the war. President Truman and his followers have taken the following position:

"Inflation could be checked if the

Republicans, who have a majority in Congress, would act courageously and vigorously. But the members of this party have prevented every effort to keep down prices.

"Right after the war, all economists knew that there would continue to be shortages of most food and industrial products for several years. They knew that it would take some time to re-tool factories for peacetime production. They knew that people had not been able to buy many things during the war, and their needs were great. It was realized by informed persons, therefore, that there would be a mad scramble for goods until farms and factories could catch up to the abnormal demand.

"There was just as much need for the government to control prices for several years after the war as there had been during the conflict. Otherwise, the great competition for goods was certain to push up prices.

and municipal commissions, have risen only 2 per cent since 1946. Prices in general, on the other hand, have soared more than 28 per cent.

"There is still great need for government price control of a number of products which remain scarce. So long as the output of these products is not sufficient to supply the demand, people will continue to compete for them and be willing to pay high prices. Inflation will thus gain further headway, with all its dangerous possibilities for the nation and the world. If we have a depression and have to cut off aid to Europe, that continent will almost certainly come under Communist domination."

The Republicans are quick to reply to such arguments. They state their case as follows:

"President Truman has been inconsistent in his position on inflation. Part of the time he has said he favored continuation of government price controls, but in September of last year he declared that such controls in peacetime were 'the methods of a police state' and had no place in a democracy.

black market. The government is forced to hire an army of agents to enforce its rules. Instead of having free enterprise, we find ourselves with a system similar to state socialism.

"There are definite prospects that prices have about reached their peak and will gradually decline. Certain industries are now producing enough to take care of the demand. Prices of their products will soon decline, as is usually the case when goods are no longer scarce.

"While it is true that most American factories cannot be expected to produce much more than they are turning out now, it is likewise true that the present huge demand for their products will not continue indefinitely. People have bought so many items for their homes and general use during the last two years that their needs will not be so great from now on. Consequently, the competition for goods will not be as intensive as it has been, and people will be less willing to pay excessive prices for products.

"There is also a good chance that food prices will be lower within a short time. Bumper crops of grain have been turned out this year—more than is expected to be sold in this country and abroad. Consequently, a gradual drop in grain prices is anticipated. The cost of meat will also come down if farmers do not have to pay so much for feed for their cattle.

"The danger of inflation is not as great as the danger of government regimentation and control. American industry, if left free, will undoubtedly solve the price problem in another year or two."

## Points of Agreement

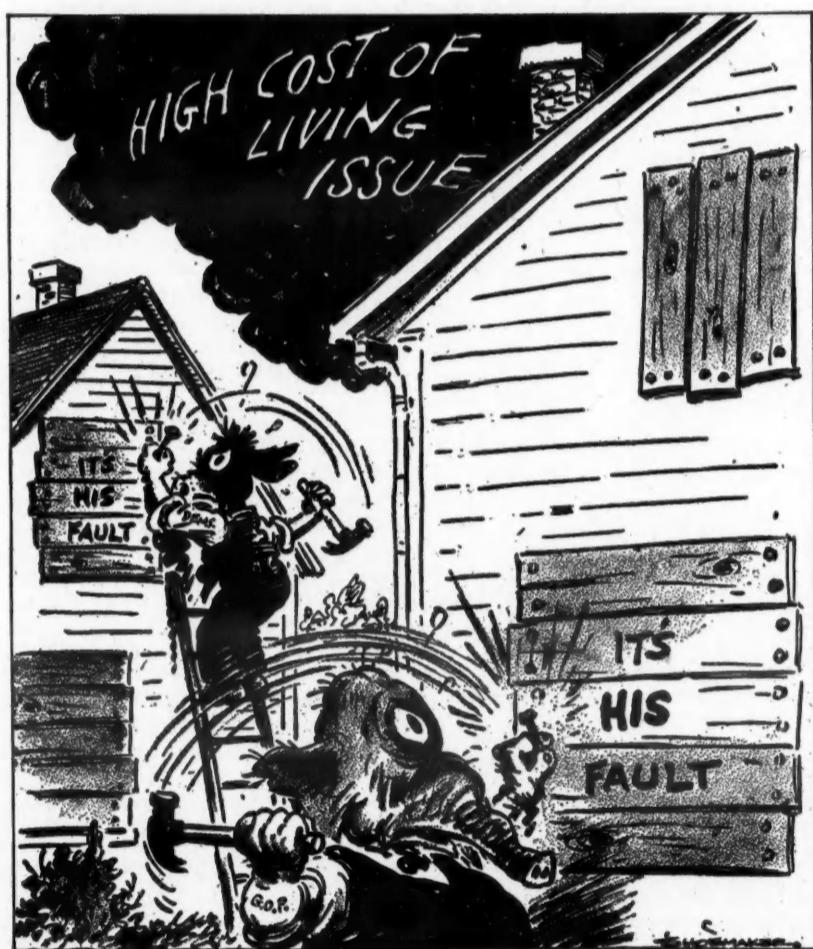
Despite their sharp differences of opinion, the Republican and Democratic parties did agree, at the recent special session of Congress, upon two weapons for combating inflation. One is for the government to make installment buying more difficult than it has been in recent months. It is felt that the demand for goods will be reduced if people are no longer as free to buy on credit—to go into debt in making their purchases.

Congress has also given the government increased authority to cut down on bank loans. If people have a harder time borrowing money from their banks, they will not be able to buy so much.

President Truman also urged Congress to permit government price control of certain scarce products, but he was turned down on this request. We must wait to see whether or not the steps Congress was able to agree upon to check rising prices will be successful.

Meanwhile, Chalmers M. Roberts, writing in the *Washington Star*, tells how each individual, regardless of what government action is taken, can help to place the brakes on inflation. He says:

"One thing is clearly written on the wall for him who will only look: Now is the time to avoid all sorts of debts, to keep away from installment buying, to live within your income even though it hurts, to put away at least a few dollars toward the day when they once again will have a reasonable purchasing power. We may not be going back to 1932 (low point of the depression)—we have learned too much for that—but we certainly aren't going to sit on top of this price peak of 1948 for very long."



PREPARING for that political hurricane

"The Republicans, though, knew that price control was unpopular with many people, so they began a vigorous drive right after the war to put an end to this form of government regulation. In July of 1946 they accomplished their aim. The majority of Republicans in Congress, supported by a minority of Democrats, killed most of the price controls. That action has cost the American people many billions of dollars in the form of higher prices.

"The Republicans say that price control would not have worked anyway in peacetime. But it has definitely worked in the case of rents. During the last two years, rents, which have continued to be regulated by the government, have gone up only 7½ per cent. Moreover, gas and electric rates, which are regularly controlled by state

"It has been hard to tell just where Mr. Truman does stand on the price question. On the one hand, he talks about the need for controlling prices and, on the other, he reminds the nation's farmers and its workers about the large incomes his party has brought to them. If food prices had been controlled during the last two years, farmers would not be receiving as much as they do. Furthermore, if industrial prices had been kept down by the government, workers would not be enjoying the high wages they are earning now.

"The fact is that government price control can never be workable in peacetime. The majority of people consider this policy to be unfair and undemocratic. Public cooperation is almost impossible to obtain. There is widespread buying and selling on the

## Science News

Jackson Hole Wildlife Park, located near the Yellowstone National Park in Wyoming, has been opened to the public. The 1,500-acre reservation holds a large selection of western American wildlife, such as moose, deer, elk, and bison. It is enclosed by a fence which is largely hidden from view. Visitors can see many of the animals while driving along the road outside the park, or may travel through the game preserve on horseback. A staff of zoologists will make a year-round study of the animals in the great national reservation.

★ ★ \*

A device using ultrasonics, or high-frequency sound waves, to discover flaws in various metals, has been developed by General Electric. The metal is first immersed in oil, since the sound waves used will not travel through air. The waves pass through the oil and the metal until they hit some flaw or crack in the material. If this happens, a dial on the instrument registers the break. The device is called an "Ultrasonics Material Tester."

★ ★ \*

The United States Weather Bureau has a new project in the testing stage. In a short time, the Bureau will be forecasting weather one month in advance. This will be done by studying the records, which have been kept over a period of years, for various months. By determining how much a given month has departed from normal, meteorologists say, it can be determined with fair accuracy how much the following month will vary from its normal weather. Businessmen, farmers, and fuel oil industries, as well as the general public, are vitally interested in this new project.

★ ★ \*

A vitamin, known as K-5, has been found to have some unusual properties. Since the substance stops the fermenting of yeast, scientists expect that it will be useful in keeping various foods from spoiling. Because it combats fungus growth, it may be effective in treating various skin ailments such as athlete's foot.



AN IMPROVED EIKONOMETER, that simplifies tests to determine whether a patient sees objects larger with one eye than with the other, has been installed at the George Washington University Hospital in the nation's capital. The instrument is said to take the place of a "whole roomful" of equipment.

HARRIS & EWING



WIDE WORLD  
WILHELMINA is leaving the Dutch throne after 50 years as Queen



NETHERLANDS INFORMATION BUREAU  
JULIANA succeeds her mother, Wilhelmina, as Holland's ruler

## Holiday for the Dutch

### The Thrifty, Prosperous People of Tiny European Nation Are Celebrating Wilhelmina's Golden Anniversary as Queen

TODAY is a national holiday for the people of the Netherlands. Flags are on display everywhere and stores, factories, and schools are closed. The entire nation is turning out for the festivities.

The Dutch people have a double reason for celebrating. Today marks the golden anniversary of the ascension to the throne of Wilhelmina, who became Queen 50 years ago. At the same time, Wilhelmina is giving up the throne because of ill-health and is turning over the royal authority to her daughter, Princess Juliana.

During October and November of last year, Princess Juliana served as temporary regent to give the Queen a much needed rest. Now she actually ascends the throne and becomes Queen of the Netherlands.

The new Queen is 39 years of age, and has golden brown hair and bright blue eyes. She is married and is the mother of four daughters. In 1940 she visited the United States for the first time as the guest of President Roosevelt, and has since returned several times. Among the Dutch people, her quiet manner and friendly disposition have won her great popularity.

The country over which Queen Juliana will rule is small, but its importance far exceeds its physical size. Wedged between Germany and Belgium, and facing on the North Sea, the Netherlands holds a key position as a center of European trade. And on the world scene, its far-flung commercial interests give it considerable influence.

With an area equal to that of Maryland and Delaware combined, the Netherlands has a population of nearly 10 million. About one-fourth of the country's land area is below sea level, which makes necessary the building of dikes to hold out the water. During the war the Dutch people destroyed some of these dikes and flooded large areas to keep out the advancing German armies.

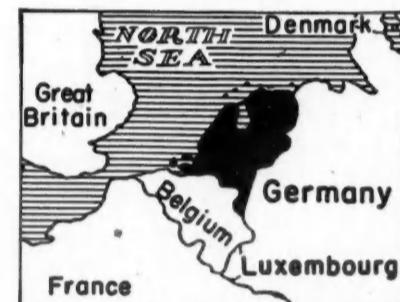
Dikes, windmills, and canals are picturesque features of the Dutch countryside. In many areas, valuable farmland has been reclaimed from the sea by the construction of dikes. Farmers make use of windmills to provide power for their machinery. Canals serve as water highways for the movement of goods, and in winter are excellent for ice skating.

The new Dutch Queen will ascend

the throne in Amsterdam, the capital and largest city of the Netherlands. But the official residence of the royal family has always been at The Hague. The city became widely known after the first World War as the seat of the World Court.

The people of the Netherlands are famous for their cleanliness, frugality, and hard work. Because of the country's dense population and its lack of rich resources, it has always been necessary for the Dutch to work hard for a livelihood. They have become skilled farmers, fishermen, and ship-builders.

The average Dutch farm is quite small when judged by American stand-



MAP BY CRAIG  
THE NETHERLANDS is shown in black

ards. Very few farmers have more than a few acres of land, but they produce large quantities of wheat, barley, oats, rye and vegetables. The most important branch of agriculture in Holland is dairying, and next is the growing of tulips and other flowers which thrive in the sandy soil along the coast.

In addition to farming, Holland has a flourishing textile industry and ranks fifth among the world's shipbuilding nations. Amsterdam has been famous for many years as a diamond-cutting center. Last year, in order to promote greater exchange of goods with its neighbors, the Netherlands entered into an agreement with Belgium and Luxembourg to form a customs union known as "Benelux." Holland is also taking a leading part in the European Recovery Program.

In the past, the Dutch have depended heavily for trade upon their rich colony, the Netherlands East Indies. But the people of this region are now gaining their independence. Dutch business interests, however, will probably remain in the islands for a number of years to come.

## Know How

ONLY a relatively few people are able to make smooth introductions. Others forget names, mutter their words, and are generally clumsy in performing this simple act. If one pays attention to names of persons with whom he is unacquainted, if he concentrates on remembering these names, and if he learns a few common rules, he will have no difficulty.

In introducing two persons, frequently one of them is considered to be entitled to the greater respect. Such a person's name should always be mentioned first in an introduction. For example, when you introduce a man to a woman, you speak the woman's name first, as "Miss Brown, may I introduce Mr. Smith."

Here are some other rules of proper introduction pointed out in "Behave Yourself," by Allen and Briggs:

Introduce young people to older people: "Mrs. Holmes, this is Mary George."

Introduce boys to men: "Mr. Ashton, this is Robert Coleman."

Introduce boys to girls: "Edna Hale, I would like to have you meet Allen Sherman."

Introduce your school friends, both boys and girls, to your mother: "Mother, this is Marcia Boyer and Ross Ledbetter."

Introduce all guests to the hostess: "Mrs. Allen, may I introduce Helen Eakin and Bruce McKay."

A good form of introduction is, "Mr. Brown, may I introduce Mr. Smith" or merely "Mr. Brown, Mr. Smith."

When you respond to an introduction, you need merely say, "How do you do?" You should shake hands with a firm, although not too tight, grip.

## Your Vocabulary

In each of the sentences below match the italicized word with the following word or phrase whose meaning is most nearly the same. Correct answers are to be found on page 8, column 4.

1. An attempt was made to accelerate (ak-sell'er-ate) production. (a) stop (b) quicken (c) retard (d) change.

2. The doctor gave a *candid* (kan'-did) report about his patient's condition. (a) tactful (b) scientific (c) complete (d) frank.

3. The man's *tenacity* (tē-nas'i-ty) was apparent. (a) persistence (b) loyalty (c) honesty (d) fear.

4. He was a person of *indomitable* (in-dōm'i-tuh-bl) determination. (a) stubborn and unconquerable (b) slight (c) heartless (d) calm.

5. The child had *latent* (lā'tent) ability. (a) musical (b) hidden (c) obvious (d) mechanical.

6. We felt sure he had *fabricated* (fab'rī-kay-ted) the entire story. (a) misunderstood (b) believed (c) invented (d) overheard.

7. Did the information sound *credible* (krēd'i-bl)? (a) trustworthy (b) interesting (c) false (d) clear.

### Pronunciations

Aachen—ah'kun  
Cologne—kuh-lōn'  
Freiburg—fri'bōrk  
Heidelberg—hi'dul-burg  
Saarbruecken—zahr-brōk'un

# Careers for Tomorrow - - *Labor Experts*

ACH day's headlines emphasize the growing need for persons who are able to handle the many problems that arise between employer and employee. To meet this need, a new vocational field is being developed—a field known as industrial or labor relations.

Most large businesses, and many small ones—manufacturing concerns, banks, department stores, and newspapers, to mention but a few—now employ what is known as a director of labor relations. This person's duties vary according to the kind of business, the number of employees it has, and according to the size of the labor relations staff itself.

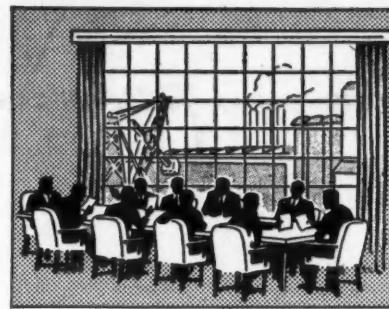
In general, however, the director of labor or industrial relations handles problems that arise in connection with the employees as a group. He is not, as a rule, concerned with the problems of individual workers. Those are left to a personnel director.

In a typical day, for instance, a labor relations director may be called upon to decide what is meant by certain clauses in a contract the company has with its employees. Or he may meet with workers' representatives to draw up a new collective bargaining agreement. Again he may spend a good deal of time reviewing the company's entire policy toward its employees to see whether it meets the requirements of new laws that have been passed.

A broad background of education and experience is necessary for persons who look forward to going into

this kind of work. A college education is usually required, and a degree in law is helpful. In high school, young people who are considering this vocation should take a college preparatory course. Later they should study economics, psychology, statistics, labor management, public administration, and probably law.

A young man or woman cannot expect to step from college into a position as labor relations director, how-



STATE OF NEW YORK  
LABOR EXPERTS represent industrial firms in collective bargaining conferences.

ever. Often people entering this field work for a time in various departments of a company. In this way, they learn the business at first hand, and they can see how problems arise between employer and employee.

Even when a person starts his work in the labor relations field, he may have a minor job. If he shows that he has ability, he may become a labor relations director.

While men are preferred by many

large firms for such positions, the field is open to women. In fact, many companies find that women fill their needs better than men.

A high type of individual is required for labor relations work. He must have a good mind and he must have initiative. Constant tact is necessary, yet one must be firm in making decisions. A labor relations director must have a personality that will enable him to gain the confidence of both workers and management.

Persons in the labor relations field are employed by private industry and by the federal and state governments. A few work for labor organizations.

Accurate information on salaries in this field is not available, but generally speaking incomes for qualified labor relations directors are high. A few individuals who work for larger firms may earn \$25,000 or more a year. A young person who has specialized in this work and has taken an advanced degree in college may, under present conditions, get a job paying from \$250 to \$300 a month. His chances for such a place will be good if he has had some business experience in addition to his education. Salaries paid by the federal government for experienced persons range from \$5,000 to \$12,000 a year.

Several universities give outstanding work in this field. Among them are the University of Minnesota, Minneapolis, Minnesota; and Cornell University, Ithaca, New York.

—By CARRINGTON SHIELDS.

## Study Guide

### Cost of Living

1. Why has there been an unprecedentedly heavy demand for the products of American industry and agriculture since the war?

2. Give figures to illustrate how prices have risen since 1939.

3. About how much have prices, in general, risen since 1946?

4. Why are farmers sometimes accused of benefiting more than other groups from the current inflation?

5. How do the farmers answer this contention?

6. How have people been paying for the large volume of goods they have been purchasing?

7. Give the viewpoints of President Truman, and of his opponents, on the best methods of dealing with high prices.

8. What inflation control measures were taken by the recent special session of Congress?

### Discussion

1. Do you agree more nearly with President Truman or with his opponents on what should be done about inflation? Give reasons for your answer.

2. What, in your opinion, should individuals do to help check rising prices? Explain.

### Germany

1. What part of Germany does Russia control? Which portions do the western nations govern?

2. What project of Britain, France, and the United States led Russia to blockade the western powers' sections of Berlin?

3. How did the western nations overcome the Soviet blockade?

4. Does the United States want Germany to have a strong central government, or does she want the various states to have considerable independence? Explain the reason for her preference.

5. What type of government does Russia prefer for Germany? Why?

6. Why is the question of who shall control western Germany such an important issue?

### Discussion

1. Most Americans feel that we should stay in Berlin at any cost. A few, however, think our occupation of that city is not important enough to risk a war. How do you feel on the subject? Defend your position.

2. Do you feel that the United States, England, and France should or should not delay their plan to set up a separate government for western Germany? If you have an opinion on this subject, present supporting arguments.

### Miscellaneous

1. Why are the Dutch people having a national celebration today?

2. When does the new draft law go into effect? Briefly describe its provisions.

3. What are the two conflicting opinions with respect to the spy hearings which have been conducted by a congressional committee in Washington this summer?

4. According to the latest statistics, is the American population still growing or is it now stationary?

5. What is the present situation in Palestine? In Greece?

6. Name five important issues which will be discussed and debated by the presidential candidates between now and November 2.

7. What major issue was before the country at the time of William McKinley's campaign for the presidency?

### Answers to Vocabulary Test

- (b) quicken; 2. (d) frank; 3. (a) persistence; 4. (a) stubborn and unconquerable; 5. (b) hidden; 6. (c) invented; 7. (a) trustworthy.



LIBRARY OF CONGRESS  
WILLIAM McKinley, twenty-fourth  
President

His chief interest was studying tariff policies, and he became convinced that American prosperity depended on high protective tariffs. The Democrats took sharp issue with him on this subject.

Business and industrial leaders were panic-stricken over the possibility that the country might be flooded with